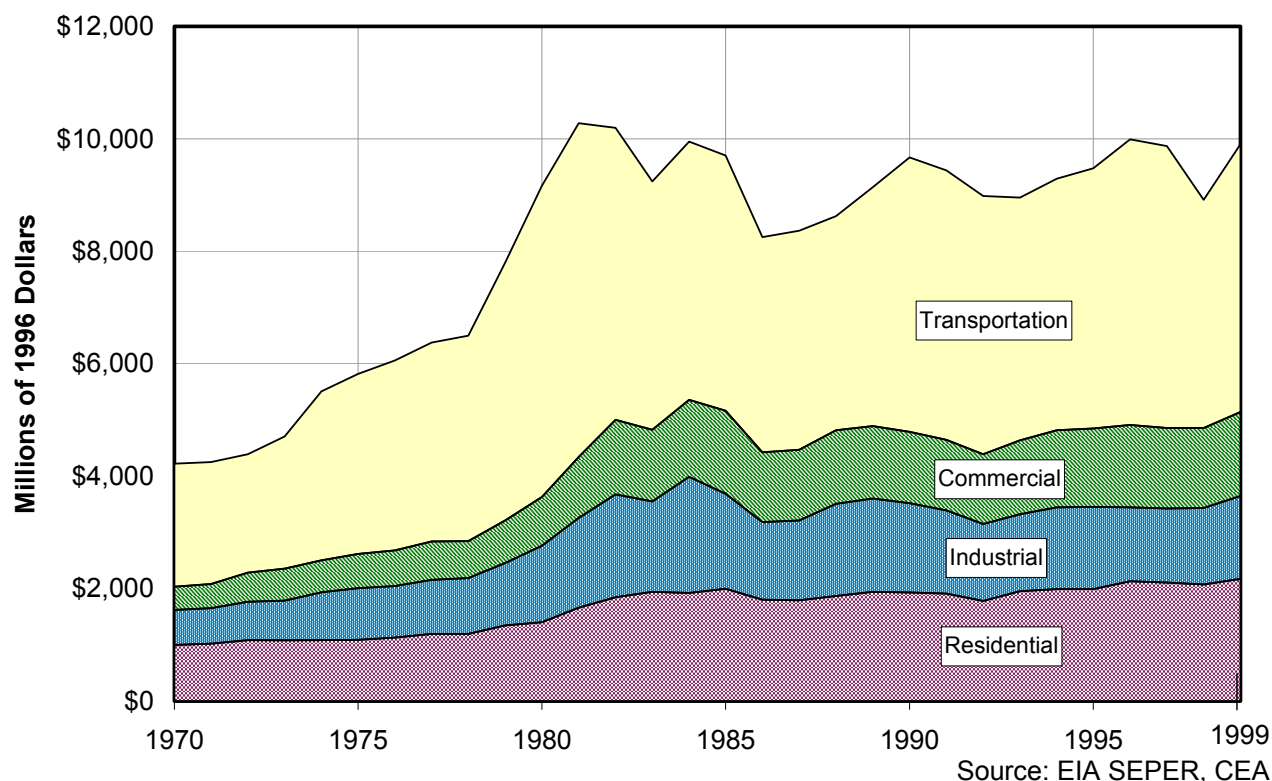


4. Washington's Energy Bill — End Use Energy Expenditures

End-Use Energy Expenditures by Sector (1970-1999)



ADJUSTED FOR INFLATION, ENERGY EXPENDITURES IN WASHINGTON IN 1999 WERE A LITTLE LESS THAN THE PEAK EXPENDITURES IN 1981, DESPITE A 34% INCREASE IN ENERGY CONSUMPTION DURING THAT PERIOD.

Washingtonians spent \$10.3 billion on energy in 1999. While that represents more than a 90% increase over 1980 in nominal terms, when adjusted for inflation the amounts are similar, despite a 37% increase in energy consumption. Energy prices have not kept pace with inflation since oil and gas prices peaked in the early 1980s. This period contrasts sharply to the 1970s, when expenditures on energy increased by more than 100% in real terms.

The transportation sector accounts for the largest share of energy expenditures, 48% in 1999. This proportion declined, however, from over 60% in 1980, even as transportation's share of statewide energy consumption increased. The real price of petroleum fuels declined significantly since the early 1980's, while the price of electricity, an important energy source in the non-transportation sectors, stayed relatively constant.